

Appl. No. 09/834,171
Amendment dated May 18, 2004
Reply to Office Action of February 18, 2004

Remarks/Arguments:

I. Status Of The Claims

Claims 1-42 are currently pending in the application, each of which stand rejected in the outstanding Office Action. By the present amendment, claims 23 and 38 have been amended. No new matter has been added. Favorable reconsideration of the application is respectfully requested in light of the following remarks. This application has been granted special status pursuant to 37 C.F.R. § 1.102.

II. Summary of Personal Interview

Applicants' representatives wish to thank the Examiner and his Supervisor for the courtesies extended during the personal interview on March 24, 2004. During the interview the independent claims were discussed, as were the relied-upon references. In particular, Applicants' representatives and the Examiners discussed the failure of the cited references to teach or suggest the claimed features relating to:

- 1) **reading records of orders for securities from the Order Management System (OMS); and**
- 2) **deriving non-binding indications from the OMS records.**

With regard to the limitation of reading records for orders from the OMS, the Examiner stated his position that the term "reading" was construed in its broadest sense, with no distinction being made between actively retrieving orders from the OMS or receiving records transmitted from the OMS. In any instance, the records are read. Thus, the Examiner has given no weight to Applicants' previous arguments regarding reading or pulling of records from the OMS. Accordingly, Applicants are proceeding on the basis of the Examiner's construction of the

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claims, which should be construed as not being limited to retrieving or pulling records from the OMS.

The Applicant's representatives and the Examiners also discussed various dependent claims directed to two-way communication between the OMS and the Electronic Trading Marketplace (ETM). For example, as discussed in greater detail below, representative Claims 2 and 10 are directed to updating the OMS in response to transactions executed on the ETM. Similarly, representative claims 14 and 15 are directed to updating indications at the ETM in response to charges at the OMS. As discussed with the Examiners, the references fail to teach or suggest such two-way communication.

III. Rejections Under 35 U.S.C. §112

Claims 23-30 and 38-42 stand rejected under 35 USC §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter that Applicants regard as the invention. In this regard, the Office Action further states that the language regarding providing non-binding indications for increasing liquidity is indefinite because it is not clearly set forth how this goal is achieved.

Applicants initially note that the objected to language was added in Applicants' June 6, 2003 paper at the suggestion of the Examiner during a personal interview. Further, Applicants previously addressed a §112 rejection in the October 20, 2003 paper (subsequently entered in connection with the RCE). Despite Applicants believing the claim language was definite (indeed, it explicitly recited what the liquidity comprised--"having increased liquidity in the form of the automatically provided indications reflecting the orders for securities"), Applicants have amended independent claims 23 and 38 so that they no longer refer to liquidity.

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The claims are now directed to the explicitly claimed limitation of providing non-binding indications to the ETM. Like the existing claims, these claims now do not recite increased liquidity. Accordingly, no new matter has been added by these amendments. Applicants believe that recitation of increased liquidity is unnecessary to distinguish over the art of record; indeed, Applicants have never argued as such. Accordingly, no weight is to be given to previous arguments concerning liquidity. Applicants respectfully submit that each of the Examiner's rejections under 35 U.S.C. §112 have been addressed and respectfully request that such rejections be withdrawn.

IV. Rejections Under 35 U.S.C. §103

Claims 1-42 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Silverman et al. in view of Millard et al. Applicants respectfully submit that neither Silverman nor Millard, either alone or in combination, teaches or suggests the claimed invention. While Silverman describes an order management system and Millard describes indications to trade securities, the references fail to teach or suggest combining these aspects to arrive at the claimed invention, namely a system and method for interfacing with an order management system (OMS) that includes:

- (1) reading records reflecting orders for securities from an OMS database; and**
- (2) deriving non-binding indications to trade securities from such data records, and automatically providing such indications to an Electronic Trading Marketplace (ETM).**

As described in greater detail below, the claimed invention is not simply an OMS and indications; the claims recite a particular relationship between the OMS and the indications.

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The Independent Claims

Each of the independent claims 1, 9, 16, 23, 31 and 38 recite that the system/method automatically provides non-binding indications, not firm orders, to the electronic trading marketplace by reading information from an order management system database. As such, the claimed invention does not simply involve an OMS and indications to trade securities, but rather a specific relationship between an OMS and indications. More specifically, the claims recite reading information from the OMS to automatically provide indications derived from the data records read from the OMS.

In this regard, independent claim 1 recites:

an interfacing module interfacing with an order management system (OMS) database and in communication with the ETM for reading data records in the OMS database reflecting orders for securities and for automatically providing non-binding indications to trade securities derived from the data records in the OMS database reflecting orders for securities to the ETM.

As such, claim 1 is directed to a system that interacts with an order management system to read data records and automatically provide non-binding indications to trade securities reflected in such data records to an ETM. Furthermore, claim 1 recites the relationship between the OMS data records and the indications, namely that the “[indications are] derived from the data records in the OMS database reflecting the orders for securities.”

The remaining independent claims 9, 16, 23, 31 and 38 similarly recite this relationship. For example, method claim 23 recites: “**automatically providing non-binding indications to trade securities derived from the data records to the electronic trading marketplace,**” and claim 38 recites “**deriving non-binding indications to trade securities from the data records [in the OMS database] reflecting orders for securities.**”

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Applicants respectfully submit that the cited references fail to anticipate or render obvious the claimed inventions.

The Claims Are Patentable Over Silverman

Applicants respectfully submit that Silverman fails to teach or suggest the claimed combination of reading records in an OMS database and deriving non-binding indications to trade securities based on such data records where such indications are automatically provided to an electronic trading marketplace. Silverman is directed to a computerized method and system for tracking orders on an exchange trading floor. As described in Silverman, a trader can initiate an order by entering it into an online/order management system 130, which, in turn, transmits the order to a handheld server 113 and to a computerized booth station 161-162. The handheld server 113 can transmit the order to a handheld computing device 114-116, which can be utilized by brokers on the exchange floor. Thus, Silverman purports to achieve the stated purpose of "achieving greater order processing efficiency" and "more quickly [routing orders] to brokers operating on the floor of the exchange, thereby leading to more timely customer service." Use of the handheld devices 114-116 also allows brokers to "capture some of the order information digitally at the point of sale, whereby costly transcription errors can be reduced." Silverman, col. 2, lines 39-45.

While Silverman does discuss an order management system, it does so only in the context meeting the aforementioned purposes of greater efficiency and quicker routing of binding orders, not indications of interest. More specifically, the system of Silverman is used to route binding orders to brokers on the exchange trading floor. As such, Silverman simply does electronically what had previously been performed manually, namely conveying an order received by a trading desk to a broker on the exchange floor by having an exchange clerk manually deliver a copy of

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the order. Indeed, this is the prior art upon which Silverman improves. See Silverman, col. 1, lines 36-49. There is no teaching or suggestion in Silverman to read orders from an OMS, to derive non-binding indications from such orders, and to automatically provide such non-binding indications to an ETM, as recited in the claims.

With regard to independent claim 9, the Office Action cites to the discussion of claim 1 and further to column 10, lines 28-34 of Silverman as teaching reading orders in a database. This additional section of Silverman fails to cure the deficiencies noted above because they fail to teach or suggest reading OMS database records and non-binding indications derived therefrom. Specifically, this section relates to the database manager and execution history database of the handheld device 114-116. However, when reading Silverman on the claimed invention, the Office Action considered the handheld devices 114-116 to be the ETM, not the OMS. As such, this section of Silverman does not relate to the OMS and cannot teach or suggest reading records in the OMS and indications of interest derived from such OMS records, as claimed. Accordingly, Silverman fails to teach or suggest these claimed limitations.

The Claims Are Patentable Over Millard

Applicants also respectfully submit that while Millard describes indications, it fails to teach or suggest the relationship between the OMS and the indications, as recited in the claims. More specifically, Millard fails to disclose a method or system for interfacing with an order management system to read data records relating to security orders, deriving non-binding indications from such orders, and automatically providing such indications of interest to an ETM, as claimed.

In relying upon Millard, the Office Action cites to several different sections, including paragraphs 34, 35 and 334. As an initial matter, Applicants note that paragraphs 34 and 35 are

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taken from the background section of Millard, and relate to prior art electronic commerce networks (ECNs), whereas paragraph 334 relates to an embodiment of Millard. Accordingly, the two discussions relate to different systems and therefore are not properly read as disclosing a single embodiment or related embodiments.

Furthermore, Millard fails to teach or suggest reading records from an OMS. The Office Action relies upon Millard as disclosing (at paragraph 334) non-binding indications for securities. By way of background, Millard is directed to a network-based securities market that allows a plurality of member firms to trade securities. According to Millard, a Member may view a Trading Floor display for viewing postings of Members relating to a single security. Paragraph 332. As described in paragraph 334, a Member may "make a non-binding, private acceptance of the terms of another Member's public posting. The other Member would need to accept that private acceptance to conclude the negotiation." While this paragraph describes, to a certain extent, non-binding indications, it does not disclose reading records from an order management system database and automatically providing non-binding indications derived from such records to an ETM, as recited in the independent claims.

Indeed, Millard fails to teach or suggest any such interaction with an order management system. In fact, Millard teaches away from non-binding indications derived from OMS records by requiring a Member to manually enter the parameters of an indication:

[0183] Add Listing

[0184] A Member desiring to post an indication of interest to acquire or transfer an ownership interest in this security **completes standardized posting forms** on the System to specify the Issuer, Security, Restrictions, and desired terms of the transaction.

No reading of information from an OMS is disclosed. Although Millard describes indications of interest, Applicants respectfully submit that it fails to teach or suggest reading records in an

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OMS, deriving non-binding indications from OMS records and automatically providing such indications to an ETM, as claimed.

Moreover, paragraphs 34 and 35 are relied upon as teaching a system that "facilitates non-binding indications to trade securities derived from OMS database orders." Office Action at page 3. **However, nowhere in the cited section does Millard even mention an OMS, let alone deriving non-binding indications from OMS database records.**

With regard to independent claim 9, the Office Action cites to the discussion of claim 1 and further to paragraphs 185 and 188 of Millard. These additional paragraphs of Millard fail to cure the deficiencies noted above because they fail to teach or suggest reading OMS database records and indications derived therefrom. Specifically, paragraphs 185 and 188 of Millard simply suggest that a member can access previously entered orders. This is a manual process, unrelated to the claimed reading of records in an OMS database and deriving non-binding indications of interest from such records.

The Combination Of Silverman And Millard Is Improper

Applicants further submit that combining the teachings of Silverman and Millard is improper, as contrary to the teachings and stated purpose of Silverman. Thus, according to the Manual of Patent Examining Procedure, Section 2143.01 (The Proposed Modification Cannot Render the Prior Art Unsatisfactory for its Intended Purpose) and the cases cited therein, the proposed modification of Silverman in light of Millard is improper. Initially, Applicants respectfully note that this argument was previously presented, but not addressed in any subsequent Office Action.

Employing indications, as described in Millard, in the system of Silverman would result in a system for transmitting indications from the trader 120 (in Silverman), to the OMS 130, to

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the handheld server 113, and, finally, to the handheld computing devices 114-116 used by the brokers on the exchange trading floor. There would be no reading of order records from the OMS to "automatically provide[e] non-binding indications to trade securities derived from [such records]" (claims 1 and 9); no "processing data representative of non-binding indications of interest to trade securities, the indications derived from records reflecting orders for securities automatically read from an OMS database" (claim 16); no "automatically providing non-binding indications to trade securities derived from the data records to the electronic trading marketplace" (claim 23); and no "deriving non-binding indications to trade securities from the data records [in the OMS database] reflecting orders for securities" (claim 38).

As noted above, the purpose of Silverman is to increase efficiency and speed of routing orders. The combination of Silverman and Millard would result in brokers on the trading floor having indications, which would need to be negotiated. However, neither Silverman nor Millard provides a mechanism for the traders 120 to distinguish orders from indications or to identify to the brokers on the trading floor the parameters of which indications the trader 120 wants to negotiate. Also, there is no mechanism to allow the trader 120 to negotiate such indications. Presumably, the brokers would need to return to the respective traders 120 to obtain explicit instructions in the form of an order because an indication is non-binding and cannot be executed without a further, affirmative action by the trader. Such procedure would be time consuming and inefficient. Thus, the proposed combination of Silverman and Millard would be inconsistent with the stated purpose of Silverman (see col. 2, lines 39-45) and would render the system of Silverman unsuitable for its purpose of efficiently trading securities on the exchange floor. According to the Manual of Patent Examining Procedure, Section 2143.01 (The Proposed Modification Cannot Render the Prior Art Unsatisfactory for its Intended Purpose) and the cases

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cited therein, the proposed modification of Silverman in light of Millard is improper. For these additional reasons, Applicants respectfully submit that Silverman and Millard fail to render the claimed invention obvious.

The Dependent Claims Are Further Patentable Over The Cited References

Applicants respectfully submit that the dependent claims are further distinguishable over the art of record. By way of example only, several claims are directed to two-way communication between the ETM and OMS. In this regard, claim 2 is directed to an interfacing module that "is further adapted to create data records in the OMS database responsive to execution information indicating trades of securities sent by the ETM." Thus, there is a two-way flow of information between the OMS and ETM and, more particularly, such that the interfacing module creates data records in the OMS database.

In meeting this limitation, the Office Action relies upon the "Execution Entry" item in the table at columns 11 and 12 of Silverman. However, such execution entry merely states that an execution record is created in the executions database of the handheld units 114-116. When reading Silverman on claim 1, the Office Action considered the handheld units 114-116 to be the ETM. See Office Action at page 3. Thus, this section of Silverman is directed to ETM records and fails to teach creating data records in the OMS database.

The execution entry of Silverman also references "retrieve order-execute from outbound queue and send to HHS 113." This notation simply suggests that a message is sent to the handheld server 113. When applying Silverman to the independent claims, the Office Action considered the handheld server 113 to be the interfacing module. See Office Action at page 3. Thus, the "Execution Entry" item only suggests information being sent to the interfacing module, not to the OMS and not to create records in the OMS, as recited in claim 2.

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The Office Action also cites Millard paragraph 220 as meeting limitations of claims of claim 2; however, paragraph 220 simply suggests that trade records are available to members for review. The paragraph does not suggest an interfacing module between the ETM and OMS to create data records in the OMS database based on the ETM.

Accordingly, the cited references, both alone and in combination, fail to anticipate or render obvious claim 2 and the claims depending therefrom.

Similar to claim 2, claim 10 recites that the interaction module "is further adapted to create data records in the OMS database responsive to receive execution information indicating trades of securities executed at the ETM." In meeting this limitation, the Office Action cites to the "bi-directional arrows among elements at Figure 1" of Silverman. However, the only bi-directional arrow is between the wireless network to the handheld units 114-116 and the handheld server 113. Because the Office Action considered the handheld units 114-116 to be the ETM and considered the handheld server 113 to be the interfacing module, this bi-directional arrow is between the ETM and the interfacing module. See Office Action at page 3. In contrast, claim 10 requires two-way communication with the OMS. Because there is no discussion of two-way communication with the order management system 130 of Silverman and no discussion of the creation of records in the OMS of Silverman based on the ETM, claim 10 is further distinguishable from the cited references.

Applicants also note that with regard to claim 10 the Office Action makes the conclusory statement that "it would have been obvious to provide such bi-directional communication to keep the ETM and OMS databases synchronized with respect to trading data." Applicants respectfully disagree and request the basis for such conclusion.

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With the present invention, the need for updating the OMS stems, in part, from the ability (but not the requirement) of the OMS to be used in connection with markets external to the ETM. The present invention contemplates the OMS being used by traders to place binding orders in other markets. Thus, the OMS must be kept current, reflecting executions through the ETM, so that only unfilled orders remain in the OMS and are sent to such other markets. In contrast, the order management system 130 of Silverman is coupled to a single market (i.e., the handheld devices 114-116) and is not subject to transactions on external markets. Therefore, Silverman does not have the same need to monitor the handheld devices and update its order management system 130.

Similar to claims 2 and 10, claims 24, 32 and 39 also recite, to varying degrees, communication with the OMS, namely the creation of records in the OMS in response to the ETM. As such, the claims are also not anticipated or rendered obvious by the cited references.

In addition to claims related to creating records in the OMS, certain dependent claims directed to two-way communication between the OMS and ETM relate to updating the ETM. For example, claim 14 recites "a module for determining whether the data records in the OMS database ... are changed," "a module for determining whether the changed data records should be provided to the ETM" and "a module ... to provide order information corresponding to the changed data records to the ETM." Thus, the claimed interfacing module is able to reflect in the ETM changes in the OMS. Because a trading firm uses its OMS to place orders in markets other than the ETM, the records in the OMS will change. Once the OMS record changes, the indication on the ETM can be correspondingly changed.

In meeting the limitations of claim 14, the Office Action cites to Silverman, col. 4, lines 29-41. Applicants respectfully submit that Silverman fails to teach or suggest the claimed

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subject matter. The cited section of Silverman merely describes a booth clerk allocating order executions with the updated "leaves" (i.e., remaining order or portion of order to be filled) being sent to the handheld devices 114-116. As such, the information sent to the handheld devices 114-116, which are considered by the Office Action to read on the ETM, is merely the manual allocations made by booth clerks and is not based on changes to OMS records, as recited in the claim. Column 6, lines 19-24 make clear that no information is sent based on changes to the OMS.

Allocations performed by the clerk are in turn transmitted to the HHS 113 and logged. The allocations are also transmitted from the HHS 113 to the floor broker via a handheld 114-116 computing device 114-116.

The OMS is not reviewed for changes; it is not even mentioned.

That Silverman fails to disclose updating ETM records based on changes to the OMS is understandable. While embodiments of the present invention contemplate the trader's OMS being used to execute trades on markets other than the ETM, the order management system 130 of Silverman is not coupled to a market other than the handheld devices 114-116. Thus, while records in the OMS being used with the present invention may change based on external transactions, the order management system 130 of Silverman is not subject to external transactions and therefore does not have the same need to monitor the order management system and update its orders.

Accordingly, Applicants respectfully submit that claim 14, and the claims depending therefrom, are further distinguishable over cited references. Furthermore, claims 29, 36 and 42 similarly recite limitations directed to updating indications at the ETM based on changes to the

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OMS records. As such, Applicants respectfully submit that claims 29, 36 and 42, and the claims depending therefrom, are similarly distinguishable over the cited references.

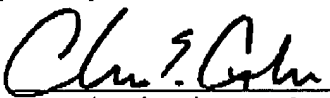
Accordingly, Applicants respectfully submit that the claims, as currently pending, are not rendered obvious by the art of record and are in condition for allowance.

Conclusion:

Applicants thus believe that the claims in the present application are in condition for allowance. Applicants respectfully request reconsideration of the present application in view of the foregoing amendments and remarks. If the Examiner has any questions or suggestions regarding this response or the application, he is invited to contact the undersigned at the telephone number provided below.

If any extension of time is required to have this paper entered and considered, such extension is hereby petitioned. Any additional fees or charges necessary in connection with the present application are hereby authorized to be charged to Deposit Account No. 19-4709.

Respectfully submitted,

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